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To the Arizona Corporation Commission

AZ CORP COMMISSION
DOCKET CONTROL
Arizona Corporation Commission
DOCKETED
JUN 10 2013

attention: Eric and Larry Pence,

I am sending an article with facts in it for you to read.

Smart Meters do not save APS money.

The general public needs to be more important than stockholders in APS and Pinnacle West.

When it comes to attaching a possibly harmful device that emits microwave radiation to a citizen's house, that citizens should not be penalized \$30 per month to opt out, as the safety of smart meters has never been tested for long term health effects.

I thought Republicans stood for protecting private property rights. Charging people \$30/month to opt out of having a potentially harmful device ~~attached~~ attached to their home is wrong.

Please read the enclosed article, especially the underlined areas.

over →

Smart meters do not in the long term save utility companies money. Increases are still requested after smart meters are installed. Why should the CEO of APS get such outrageous rate increases? Please remember the utility company is here to serve their customers. That needs to be more important than corporate greed and making APS stock go up.

And what about all the lawsuits by people who get sick from smart meters and decide to sue APS. That won't make the stock go up.

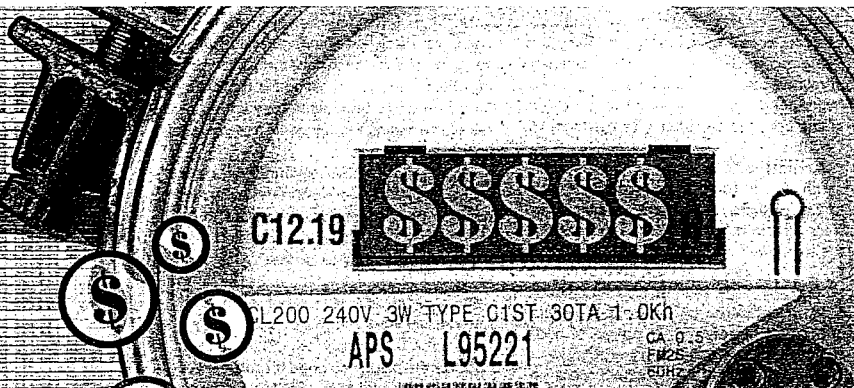
* The solution is to reduce the number of meter readings for people who opt out of smart meters, to only read their meters a few times a year.

Why should people who don't want smart meters subsidize the smart meter program? If APS can't afford the smart meter program without gouging money from people who don't want a smart meter, then APS should cancel the smart meter program.

Sherry Ratner

COMMISSIONER BURNS FLARES UP ON "SMART METERS" AS WOODWARD ASKS "IS APS BOONDOGGING THE PUBLIC?"

ILLUSTRATION BY MARIS CUMMINGS



As the Arizona Corporation Commission debates the merits of a proposed \$75 surcharge plus a \$30-a-month fee APS customers would endure to "opt-out" of "smart meter installation" for health and privacy concerns, Corporation Commissioner Robert Burns wrote the letter below to the Sedona Red Rock News. What follows is an examination of Mr. Burns' claims by resident Warren Woodward, who has been researching the legality and effects of "smart meters" for over two years now.

APS has provided a special telephone number for customers who wish to opt out of the "smart meter" installation slated for Northern Arizona next year, 1-888-779-7411, and says it is actively soliciting customer comment on both the fee and the meter.

"SMART METER" OPT-OUTS COST ALL RATEPAYERS

May 1, 2013

Sedona Red Rock News Guest Perspective

I recently attended a public meeting here in Sedona where "smart meters" were discussed. These automated smart meters allow the utility to read a customer's meter remotely, as well as remotely connect and disconnect meters, which eliminates the need to send an employee to the location to physically read the meter.

Members of the audience expressed health and privacy concerns related to the use of these new digital smart meters. Because of these concerns, there were comments advocating for the utilities to provide a no-cost "opt-out" option to customers.

These opt-out customers would continue to use analog meters that require an employee to physically read the meter in order to determine electrical power usage.

It occurred to me that perhaps an important fact is getting lost in the discussion — namely, that the digital meters represent a significant cost savings to the utility, a savings that, in turn, gets passed onto its customers. There are obvious costs involved with the meter reader function, including paying the meter reader employee to travel to the location; fuel maintenance and insurance costs related to the vehicle use; the increased risk of accidents; and property damage.

Should the customers who choose to use the more expensive opt-out system expect others to pick up the additional costs associated with maintaining and reading their analog meters?

There is an ongoing debate about all these matters, and I have not reached any final conclusions.

The drafters of our Arizona State Constitution, however, established our "regulated monopoly" structure as a means of providing public utility services to the residents of this state. I believe they understood that

in order to attract the necessary finances to build large and expensive utility systems, an opportunity, must be available for investors to receive a return on investment.

Without that return, public utilities could not be built, maintained and operated. Arizona's Corporation Commissioners are charged with regulating these utilities so that the residents of Arizona have utility services 24 hours a day, 365 days per year at a reasonable cost. If those who opt-out are not required to pay the additional cost of doing business, these costs will likely be included in the next utility rate adjustment request. In that event, all ratepayers may have to pay for an option exercised by a few.

Robert L. "Bob" Burns

OH NO THEY DON'T, MR. BURNS

Your May 1st "Guest Perspective" article in the Sedona Red Rock News was both inappropriate and inaccurate.

It seems very improper for you to parrot APS propaganda while APS' so-called and misnamed "smart meter opt-out" fee request (AKA attempted extortion) is pending. In addition to improper, your comments may well be illegal but, as usual, it was very hard for me to get a straight answer out of anyone I contacted at the ACC regarding the rules of procedure. Indeed, one ACC staffer rudely blurted that she did not work for me — interesting news since I am both a ratepayer and a taxpayer.

Although you included a disclaimer in your remarks to the effect that you "have not reached any final conclusions," you also chose to present only one view — the APS view — so the implication and effect of your article was endorsement of that singular, APS view. I see your disclaimer as a lame attempt to hide behind impartiality while at the same time spreading APS' misinformation.

Amazingly, you reveal yourself to be more concerned about APS' bottom line than with people's health and privacy. In your article you mention a meeting you attended in Sedona in which people expressed health and privacy concerns regarding "smart" meters. Yet your response is that "... perhaps an important fact is getting lost in the discussion — namely, that the digital meters represent a significant cost savings to the utility, a savings that, in turn, gets passed on to its customers."

"Significant cost savings?" Do tell us exactly how much ratepayers will save per month? Substantiate your claim. Show us some numbers based on real life, not APS propaganda. If the cost savings are "significant" as you claim, then it should be easy for you to tell us specifically.

Since some locations in Arizona and elsewhere have had "smart" meters installed for years then it should be easy for you to point to examples of "significant cost savings" that

have been passed on to customers already, and when and where that has occurred.

Wake up, Mr. Burns: *There are no "cost savings."* Besides, even if there were cost savings, what possible incentive does APS have to pass them on to customers? They have no competition. The APS CEO's compensation has gone from a bloated \$5.66 million in 2010 to a piggish \$7.9 million in 2011, and last year was a thoroughly obscene \$11.5 million — this during a recession while many are struggling to pay APS rates! And while the APS CEO was making his multimillions, the ACC gave a rate increase to "poor" APS for not selling enough electricity. So don't make me laugh about any savings getting passed on to the customer. Neither the ACC nor APS has passed anything on to us except higher rates.

The real financial burden is the one APS is placing on all ratepayers by ripping out about a million perfectly working analog meters and replacing them with ones that cost about 5 times more. In actual fact, people refusing "smart" meters are paying for the "smart" meters of others (plus installation, related equipment and infrastructure, etc.) and without getting a "smart" meter themselves. People who refuse "smart" meters should really be getting a refund!

Read the reports of the various Attorneys General:

Connecticut A.G.: "...the costs associated with the full deployment of AMI ["smart"] meters are huge and cannot be justified by energy savings achieved."

Illinois A.G.: "The utilities have shown no evidence of billions of dollars in benefits to consumers from these new meters, but they have shown they know how to profit."

Michigan A.G.: "A net economic benefit to electric utility ratepayers from ... smart meter programs has yet to be established."

It is also astonishing you completely ignore the total, utter and complete violation of private property that "smart" meters are. As I have pointed out repeatedly, APS does not have easement for what is essentially networking equipment. APS does not have easement to site microwave broadcasting antennas on people's property. Period. That APS wants to charge people who do not allow APS to take and use their property for APS' antennas and networking equipment is well beyond audacious; it is attempted extortion.

What is wrong with you? I remember when real Republicans revered private property. Now it seems that "significant cost savings to the utility" — and corporate greed in general — take precedence over individual rights and property rights. I can't believe we are even having a discussion about payment to avoid such a property rights violation, not

to mention payment to avoid having pulsed microwave 24/7/365 at one's own home.

About a third of your article was a hymn of praise to Arizona's Investor Owner Utility system. You mentioned it is a "regulated monopoly structure," but where on Arizona earth has the regulatory part of the structure been all these years while APS has gone on a "smart" meter installation binge? There have been no hearings, no examination of facts or costs, no oversight of "smart" meters whatever by the ACC.

Arizona Revised Statutes and Arizona Administrative Code have been ignored and violated, including:

A.R.S. 40-361.B — Every public service corporation shall furnish and maintain such service, equipment and facilities as will promote the safety, health, comfort and convenience of its patrons, employees and the public, and as will be in all respects adequate, efficient and reasonable.

A.R.S. 40-321.A — When the commission finds that the equipment, appliances, facilities or service of any public service corporation, or the methods of manufacture, distribution, transmission, storage or supply employed by it, are unjust, unreasonable, unsafe, improper, inadequate or insufficient, the commission shall determine what is just, reasonable, safe, proper, adequate or sufficient, and shall enforce its determination by order or regulation.

A.R.S. 40-202.C.1 — Protect the public against deceptive, unfair and abusive business practices, practices related to deposit requirements and reconnection fees, intrusive and abusive marketing, deceptive or untrue advertising practices and practices prohibited under subsection H of this section.

A.A.C. R14-2-209.A.1 — Each utility, billing entity, or Meter Reading Service Provider may at its discretion allow for customer reading of meters.

With your pathetic repetition of APS propaganda, you insult the people you supposedly represent. I find you a disgrace to the system you laud, a system which could in fact work well if — if — regulators such as yourself did their homework, their jobs, and some genuine regulating.

In conclusion, from the article you wrote it seems clear you are at sea on this issue, in way over your head. Others and I have done all the research on this issue yet you seem incapable of grasping any of it. You ought to be ashamed of yourself. In fact you ought to resign.

Warren Woodward

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